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IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 312, As Amended in the Senate, As Amended in the Senate

BY WAYS AND MEANS COMMITTEE

AN ACT RELATING TO TRANSPORTATION; AMENDING SECTION 49-402, IDAHO CODE, TO REVISE REGISTRATION FEES; AMENDING SECTION 49-434, IDAHO CODE, TO PROVIDE FOR ADDITIONAL REGISTRATION FEES; AMENDING CHAPTER 4, TITLE 49, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 49-457, IDAHO CODE, TO PROVIDE A FEE FOR ELECTRIC AND HYBRID VEHICLES, TO PROVIDE FOR THE DEPOSIT OF FEES AND TO DEFINE TERMS; AMENDING SECTION 63-2402, IDAHO CODE, TO REVISE THE TAX IMPOSED ON MOTOR FUEL AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 63-2412, IDAHO CODE, TO REVISE PROVISIONS RELATING TO THE DIS-TRIBUTION OF TAX IMPOSED ON MOTOR FUEL; AMENDING CHAPTER 7, TITLE 40, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 40-719, IDAHO CODE, TO PRO-VIDE FOR THE STRATEGIC INITIATIVES PROGRAM, TO ESTABLISH THE STRATEGIC INITIATIVES PROGRAM FUND, TO PROVIDE FOR THE DEPOSIT OF CERTAIN MONEYS INTO THE FUND AND TO PROVIDE FOR USE OF MONEYS IN THE FUND; AMENDING SEC-TION 57-814, IDAHO CODE, TO REVISE PROVISIONS RELATING TO TRANSFERS OF MONEYS INTO THE BUDGET STABILIZATION FUND, TO PROVIDE FOR THE TRANSFER OF CERTAIN EXCESS CASH BALANCES INTO THE BUDGET STABILIZATION FUND AND TO REMOVE PROVISIONS RELATING TO THE MAXIMUM FUND BALANCE; REPEALING SECTION 57-814, IDAHO CODE, RELATING TO THE BUDGET STABILIZATION FUND; AMENDING CHAPTER 8, TITLE 57, IDAHO CODE, BY THE ADDITION OF A NEW SEC-TION 57-814, IDAHO CODE, TO PROVIDE FOR THE BUDGET STABILIZATION FUND; PROVIDING LEGISLATIVE INTENT; AMENDING SECTION 40-701, IDAHO CODE, TO PROVIDE FOR DISTRIBUTION OF CERTAIN MONEYS; PROVIDING FOR SEVERABIL-ITY; DECLARING AN EMERGENCY AND PROVIDING EFFECTIVE DATES.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 49-402, Idaho Code, be, and the same is hereby amended to read as follows:

49-402. ANNUAL REGISTRATION. (1) The annual fee for operating each pickup truck, each neighborhood electric vehicle and each other motor vehicle having a maximum gross weight not in excess of eight thousand (8,000) pounds and that complies with the federal motor vehicle safety standards as defined in section 49-107, Idaho Code, shall be:

There shall be twelve (12) registration periods, starting in January for holders of validation registration stickers numbered 1, and proceeding consecutively through December for holders of validation registration stickers numbered 12, each of which shall start on the first day of a calendar month and end on the last day of the twelfth month from the first day of the

beginning month. Registration periods shall expire midnight on the last day of the registration period in the year designated by the validation registration sticker. The numeral digit on the validation registration stickers shall, as does the registration card, fix the registration period under the staggered registration system for the purpose of reregistration and notice of expiration.

A vehicle that has once been registered for any of the above designated periods shall, upon reregistration, be registered for the period bearing the same number, and the registration card shall show and be the exclusive proof of the expiration date of registration and licensing. Vehicles may be initially registered for less than a twelve (12) month period, or for more than a twelve (12) month period, and the fee prorated on a monthly basis if the fractional registration tends to fulfill the purpose of the monthly series registration system.

- (2) For all school buses operated either by a nonprofit, nonpublic school or operated pursuant to a service contract with a school district for transporting children to or from school or in connection with school approved activities, the annual fee shall be twenty-four dollars (\$24.00) and shall be subject to staggered registration for the purpose of reregistration and notice of expiration.
- (3) For all motorcycles and motor-driven cycles which comply with the federal motor vehicle safety standards, operated upon the public highways, the annual fee shall be $\frac{1}{1}$ nineteen dollars (\$919.00) and shall be subject to staggered registration for the purpose of reregistration and notice of expiration.
- (4) For operation of an all-terrain vehicle, utility type vehicle or motorbike, excluding a motorbike with an engine displacement of fifty (50) cubic centimeters or less, on city, county or highway district roads or highways open to such use, a restricted vehicle license plate fee pursuant to section 49-450, Idaho Code, shall be paid. In addition, the registration fee specified in section 67-7122, Idaho Code, shall be paid as provided in section 67-7122, Idaho Code. The registration and restricted vehicle license plate exemption provided in section 49-426(2), Idaho Code, applies to all-terrain vehicles, utility type vehicles, motorbikes and motorcycles used for the purposes described in subsection (2) of section 49-426, Idaho Code. Nonresidents shall be allowed to purchase a restricted vehicle license plate and sticker for an all-terrain vehicle, utility type vehicle or motorbike.
- (5) For all motor homes the fee shall be as specified in subsection (1) of this section and shall be in addition to the fees provided for in section 49-445, Idaho Code.
 - (6) Registration fees shall not be subject to refund.
- (7) A financial institution or repossession service contracted to a financial institution repossessing vehicles under the terms of a security agreement shall move the vehicle from the place of repossession to the financial institution's place of business on a repossession plate. The repossession plate shall also be used for demonstrating the vehicle to a prospective purchaser for a period not to exceed ninety-six (96) hours. The registration fees for repossession plates shall be as required in subsection (1) of this section for a vehicle one (1) and two (2) years old. All other

 fees required under chapter 4, title 49, Idaho Code, shall be in addition to the registration fee. The repossession plate shall be subject to staggered registration for the purpose of reregistration and notice of expiration.

- (8) A wrecker or towing business engaged in the process of towing motorized vehicles, which have been wrecked, abandoned, salvaged or may be disabled, may apply for a wrecker plate to be displayed on those vehicles being towed, provided the power unit is properly registered under this chapter. The registration fees for wrecker plates shall be as required in subsection (1) of this section for a vehicle one (1) and two (2) years old. All other fees required under chapter 4, title 49, Idaho Code, shall be in addition to the registration fee and shall be subject to staggered registration for the purpose of reregistration and notice of expiration.
- (9) In addition to the annual registration fee in this section, there shall be an initial program fee of twenty-five dollars (\$25.00) and an annual program fee of fifteen dollars (\$15.00) for all special license plate programs for those license plates issued pursuant to sections 49-404A, 49-407, 49-408, 49-409, 49-414, 49-416, 49-418 and 49-418D, Idaho Code. For special plates issued pursuant to sections 49-406 and 49-406A, Idaho Code, there shall be an initial program fee of twenty-five dollars (\$25.00) but there shall be no annual renewal fee. For special plates issued pursuant to sections 49-415C, 49-415D, 49-415E, 49-416A, 49-416B, 49-416C, 49-416D, 49-416E, 49-417, 49-417A, 49-417B, 49-417C, 49-417D, 49-417E, 49-418A, 49-418B, 49-418C, 49-418E, 49-419, 49-419A, 49-419B, 49-419C, 49-419D, 49-419E, 49-420, 49-420A, 49-420B, 49-420C, 49-420D, 49-420E, 49-420G, 49-420H, 49-420I, 49-420J, 49-420K, 49-420L and 49-420M, Idaho Code, and any new special plate program effective on and after January 1, 2013, pursuant to section 49-402D, Idaho Code, there shall be an initial program fee of thirty-five dollars (\$35.00) and an annual program fee of twenty-five dollars (\$25.00). The fees contained in this subsection shall be applicable to all new special plate programs and shall be subject to staggered registration for the purpose of reregistration and notice of expiration. The initial program fee and the annual program fee shall be deposited in the state highway account and shall be used to fund the cost of administration of special license plate programs, unless otherwise specified by law.
- (10) Any vehicle that does not meet federal motor vehicle safety standards shall not be registered and shall not be permitted to operate on public highways of the state, as defined in section 40-117, Idaho Code, unless otherwise specifically authorized.
- (11) In addition to annual registration fees as provided in this section, registrants may pay a fee to purchase an Idaho state parks passport authorizing resident motor vehicle entry into all Idaho state parks. Registrants may pay the fee for a one (1) year or two (2) year period of time. The fee shall be ten dollars (\$10.00) for one (1) year and twenty dollars (\$20.00) for two (2) years. All fees collected pursuant to this subsection shall be deposited into the park and recreation fund and shall be subject to appropriation. Fees collected pursuant to this subsection shall not be considered a motor vehicle registration fee as provided in section 17, article VII, of the constitution of the state of Idaho.

SECTION 2. That Section 49-434, Idaho Code, be, and the same is hereby amended to read as follows:

49-434. OPERATING FEES. (1) There shall be paid on all commercial vehicles, noncommercial vehicles, and on all farm vehicles having a maximum gross weight not in excess of sixty thousand (60,000) pounds, an annual registration fee or a staggered registration fee for the purpose of reregistration and notice of expiration in accordance with the following schedule.

6	Unladen Weight for Wreckers	Annual Registration Fee				
7	Maximum Gross Weight	Noncommercial and	Commercial			
8	For Other Vehicles (Pounds)	Farm Vehicles	Vehicles			
9			and Wreckers			
10	8,001-16,000 inc	\$ 48.00	\$ 48.00			
11	16,001-26,000 inc	61.08	143.40			
12	26,001-30,000 inc	91.68	223.80			
13	30,001-40,000 inc	130.08	291.60			
14	40,001-50,000 inc	188.28	360.00			
15	50,001-60,000 inc	311.88	515.40			

In addition to the registration fees provided for in this subsection, there shall be an additional registration fee imposed of twenty-five dollars (\$25.00).

- (2) There shall be paid on all commercial vehicles, irrespective of body type, and on all farm vehicles having a maximum gross weight in excess of sixty thousand (60,000) pounds, an annual registration fee in the amount prescribed by subsection (8) of this section, as applicable.
 - (3) In addition, the annual registration fee for trailers shall be:
 - (a) Trailer or semitrailer in a combination of vehicles\$15.00
 - (b) Rental utility trailer with a gross weight of two thousand (2,000) pounds or less\$8.00
 - (c) Rental utility trailer with a gross weight over two thousand (2,000) pounds\$15.00
- (4) As an option to the trailer and semitrailer and rental utility trailer annual registrations issued pursuant to subsection (3) of this section, the department may provide a nonexpiring plate and registration for trailers and semitrailers, and an optional, extended registration for rental utility trailers.
 - (a) For trailers and semitrailers, the nonexpiring registration fee shall be ninety-nine dollars (\$99.00). The license plate shall remain on the trailer or semitrailer until the registration is canceled or revoked. No part of the fee is subject to refund. However, the registrant may transfer the nonexpiring plate and registration to another trailer or semitrailer titled to the registrant if the original registration date is prior to July 1, 2009. The registration document shall be the official record of the status of the nonexpiring registration and no registration fee shall be required after the initial registration is paid. No validation sticker shall be required or issued for such nonexpiring license plate.
 - (i) Registration of a trailer or semitrailer based in another jurisdiction may be issued when the registrant provides a valid jurisdiction.

risdiction title or ownership document and certification statement, and no title transfer will be required.

- (ii) Periodic verification will be made to confirm ownership status. Failure of the owner to comply with the verification request to confirm ownership within thirty (30) days, shall result in cancellation of the permanent plate registration.
- (b) Idaho based trailer manufacturers may purchase trailer and semitrailer registration from the department. The manufacturer may issue the annual registration to foreign-based purchasers utilizing a manufacturer's certificate of origin or manufacturer's statement of origin as proof of ownership. If the foreign-based purchaser subsequently obtains an Idaho nonexpiring registration as provided in paragraph (a) of this subsection prior to annual registration expiration, the amount of the annual registration fee shall be applied to the nonexpiring registration fee provided that the customer acquires a title for such vehicle.
- (c) For rental utility trailers, the registrant may prepay the annual registration for an additional one (1), two (2), three (3) or four (4) years, but in no event shall the optional registration period extend beyond five (5) years. The fee shall be as specified in subsection (3) (b) or (c) of this section. A pressure-sensitive sticker shall be used to validate the license plate. The license plate shall become void if the owner's interest in the rental utility trailer changes during the five (5) year period. If the owner fails to enter the rental utility trailer on the annual renewal application during the five (5) year period, the registration record shall be purged. Any unrenewed plate shall be returned to the department if it is not entered on the renewal application.
- (5) A fleet registration option is available to owners who have twenty-five (25) or more commercial or farm vehicles or any combination thereof. Such owners may register all of their company vehicles with the department in lieu of registering with a county assessor. To qualify the fleet must be owned and operated under the unified control of one (1) person and the vehicles must be physically garaged and maintained in two (2) or more counties. Fleet registration shall not include fleets of rental vehicles. The department shall provide a registration application to the owner and the owner shall provide all information that the department determines is necessary. The department shall devise a special license plate numbering system for fleet-registered vehicles as an alternative to county license plates. The fleet registration application and all subsequent registration renewals shall include the physical address where a vehicle is principally used, garaged and maintained. The fleet owner shall report the physical address to the department upon initial registration, on each renewal, and at any time a vehicle registered under this option is permanently transferred to another location.
- (6) If the ownership of a vehicle changes during the registration period, the original owner may transfer the plate to another vehicle. The remaining fee shall be credited against the cost of the new registration. Refunds may be given for any unexpired portion of the vehicle registration fee if the plate is not transferred by the owner to another vehicle. Any request

for refund shall include surrender of the license plate, validation sticker and registration document. Owners of vehicles registered under the international registration plan may request a refund of the unexpired portion of the Idaho vehicle registration fee by presenting evidence from the base jurisdiction that the license plate, validation sticker and registration document have been surrendered. A license plate shall not be transferred to another owner when the ownership of a vehicle changes. The owner shall obtain a replacement plate, validation sticker if required, and a registration document when a plate is lost, destroyed or becomes illegible.

- (7) An administrative fee of four dollars (\$4.00) shall be paid and deposited to the state highway account on all registrations completed by the department under subsection (1) or (8) (a) of this section. Vehicles registered under subsection (8) (b) of this section shall pay the fee provided in section 49-435(2), Idaho Code.
- (8) There shall be paid on all commercial and farm vehicles having a maximum gross weight in excess of sixty thousand (60,000) pounds, a registration fee based upon the maximum gross weight of a vehicle as declared by the owner and the total number of miles driven on roads and highways in the state, county, city and highway district systems in Idaho, and if registered under the international registration plan (IRP), in all other jurisdictions. The appropriate registration fee shall be determined as follows:
 - (a) If the owner registers vehicles under the international registration plan (IRP), the appropriate mileage column shall be determined by the total miles an owner operated a fleet of vehicles on roads and highways in the state, county, city and highway district systems in Idaho and in all other jurisdictions in the preceding year, as defined in section 49-117, Idaho Code, and by the maximum gross weight of each vehicle within a fleet.
 - (b) If the owner registers vehicles under the international registration plan and determines that the average international registration plan fleet miles, calculated by dividing the total IRP fleet miles in all jurisdictions by the number of registered vehicles, is less than fifty thousand one (50,001) miles, the owner may apply to the department for refund of a portion of the registration fees paid, consistent with the fee schedules set forth in this section. The department shall provide an application for the refund. An owner making application for refund under this section shall be subject to auditing as provided in section 49-439, Idaho Code.
 - (c) If the owner is not registering vehicles under the international registration plan, the appropriate mileage column shall be determined by the total miles the owner operated each of the vehicles to be registered on roads and highways in the state, county, city and highway district systems in Idaho in the preceding year and by the maximum gross weight of each vehicle.

1	Maximum Gross							
2 3	Weight of Vehicle (Pounds)	Total Miles Driven						
4	(1 to	7,501 to			0		
<i>,</i> 5		7,500	20,000	20,001 to 35,000	35,001 to 50,000	Over 50,000		
6	60,001-62,000	\$223	\$ 511	\$ 789	\$1,068	\$1,560		
7	62,001-64,000	\$251	\$ 576	\$ 890	\$1,000	\$1,760		
8	64,001-66,000	\$280	\$ 642	\$ 992	\$1,342	\$1,760		
9	66,001-68,000	\$309	\$ 707	\$1,093	\$1,479	\$2,160		
10	68,001-70,000	\$337	\$ 773	\$1,194	\$1,615	\$2,360		
11	70,001-72,000	\$366	\$ 838	\$1,295	\$1,752	\$2,560		
12	72,001-74,000	\$394	\$ 904	\$1,396	\$1,889	\$2,760		
13	74,001-76,000	\$423	\$ 969	\$1,498	\$2,026	\$2,960		
14	76,001-78,000	\$451	\$1,035	\$1,599	\$2,163	\$3,160		
15	78,001-80,000	\$480	\$1,100	\$1,700	\$2,300	\$3,360		
16	80,001-82,000	\$494	\$1,133	\$1,751	\$2,368	\$3,460		
17	82,001-84,000	\$509	\$1,165	\$1,801	\$2,437	\$3,560		
18	84,001-86,000	\$523	\$1,198	\$1 , 852	\$2 , 505	\$3 , 660		
19	86,001-88,000	\$537	\$1 , 231	\$1,902	\$2 , 574	\$3 , 760		
20	88,001-90,000	\$551	\$1 , 264	\$1 , 953	\$2 , 642	\$3 , 860		
21	90,001-92,000	\$566	\$1 , 296	\$2,004	\$2 , 711	\$3 , 960		
22	92,001-94,000	\$580	\$1 , 329	\$2 , 054	\$2 , 779	\$4,060		
23	94,001-96,000	\$594	\$1 , 362	\$2 , 105	\$2 , 848	\$4,160		
24	96,001-98,000	\$609	\$1 , 395	\$2 , 155	\$2 , 916	\$4,260		
25	98,001-100,000	\$623	\$1 , 427	\$2 , 206	\$2 , 985	\$4,360		
26	100,001-102,000	\$637	\$1,460	\$2 , 257	\$3 , 053	\$4,460		
27	102,001-104,000	\$651	\$1,493	\$2,307	\$3 , 121	\$4,560		
28	104,001-106,000	\$666	\$1 , 526	\$2,358	\$3 , 190	\$4,660		
29	106,001-108,000	\$680	\$1,558	\$2,408	\$3,258	\$4 , 760		
30	108,001-110,000	\$694	\$1,591	\$2,459	\$3 , 327	\$4,860		
31	110,001-112,000	\$709	\$1 , 624	\$2,510	\$3 , 395	\$4,960		
32	112,001-114,000	\$723	\$1 , 657	\$2 , 560	\$3,464	\$5 , 060		
33	114,001-116,000	\$737	\$1,689	\$2,611	\$3 , 532	\$5,160		
34	116,001-118,000	\$751	\$1 , 722	\$2,661	\$3,601	\$5 , 260		
35	118,001-120,000	\$766	\$1 , 755	\$2,712	\$3 , 669	\$5 , 360		
36	120,001-122,000	\$780	\$1 , 788	\$2 , 763	\$3 , 738	\$5 , 460		
37	122,001-124,000	\$794	\$1 , 820	\$2,813	\$3 , 806	\$5 , 560		
38	124,001-126,000	\$809	\$1 , 853	\$2,864	\$3 , 874	\$5 , 660		
39	126,001-128,000	\$823	\$1,886	\$2,914	\$3 , 943	\$5 , 760		
40	128,001-129,000	\$837	\$1,918	\$2 , 965	\$4,011	\$5 , 860		

In addition to the registration fees provided for in this subsection, there shall be an additional registration fee imposed of twenty-five dollars (\$25.00).

- (d) In addition to the fees set forth in paragraphs (a) and (c) of this subsection (8), an owner or operator may purchase a temporary permit as provided in section 49-432(2), Idaho Code, for operation of a vehicle at a weight in excess of the current, valid, registered maximum gross vehicle weight. The permit so issued shall be specific to the motor vehicle to which it is issued. No permit or fee shall be transferable or apportionable to any other vehicle, nor shall any such fee be refundable.
- (e) Any commercial or farm vehicle registered for more than sixty thousand (60,000) pounds up to one hundred six thousand (106,000) pounds traveling fewer than two thousand five hundred (2,500) miles annually on roads and highways in the state, county, city and highway district systems in Idaho shall pay an annual registration fee of two hundred fifty-five dollars (\$255). The provisions of section 49-437(2), Idaho Code, shall not apply to vehicles registered under this subsection (8) (e).
- (9) (a) During the first registration year that the fee schedule in subsection (8) (c) of this section is in use, an owner shall use the mileage data from the records used to report the mileage use fee in the immediately preceding year as the basis for determining the appropriate registration fee schedule.
- (b) Any owner who registers a motor vehicle for the first time and who has no mileage history for the vehicle shall estimate the miles to determine the appropriate fee schedule in subsection (8)(c) of this section. When estimating the miles, the owner shall provide a statement on the application of the method used to arrive at the estimated miles.
- (c) Any owner using any fee schedule other than the highest fee schedule under subsection (8)(c) of this section, shall certify at the time of registration that the miles operated in the preceding year do not exceed the schedule applied for. Any owner using a fee schedule under subsection (8)(c) of this section that is less than the highest schedule shall maintain records to substantiate the use of the schedule as required by section 49-439, Idaho Code.
- (10) An owner registering under subsection (8) (a) or (8) (c) of this section may elect to pay the full annual registration fee at the time of registration or renewal of registration, or an owner may pay at least one-quarter (1/4) of the annual registration fee due. The remainder of the annual Idaho registration fee shall be paid in three (3) equal installments on dates as billed by the department.
- (11) An owner registering or renewing a registration under subsection (8) (a) of this section electing to use installment payments as provided in subsection (10) of this section, shall pay all of the fees due to other IRP jurisdictions in addition to one-quarter (1/4) of the Idaho fee due at the time of registration or reregistration. The remainder of the annual Idaho registration fee shall be paid in three (3) equal installments on dates as billed by the department.
- (12) If any vehicle or combinations of vehicles haul nonreducible loads, as authorized under the provisions of section 49-1004, Idaho Code,

and weigh less than the starting weights per axle configuration listed in column 1 of subsection (2), section 49-1004, Idaho Code, then and in that event there shall be paid for that vehicle, in addition to the other fees required in this section, an additional use fee of 2.1 mills per mile for each two thousand (2,000) pounds or fraction thereof of the maximum gross weight in excess of those set forth in section 49-1001, Idaho Code.

SECTION 3. That Chapter 4, Title 49, Idaho Code, be, and the same is hereby amended by the addition thereto of a <u>NEW SECTION</u>, to be known and designated as Section 49-457, Idaho Code, and to read as follows:

- 49-457. ELECTRIC VEHICLE FEE -- HYBRID VEHICLE FEE. (1) An electric vehicle fee of one hundred forty dollars (\$140) shall be collected in addition to all other registration fees assessed pursuant to this chapter on each electric vehicle registered.
- (2) A hybrid vehicle fee of seventy-five dollars (\$75.00) shall be collected in addition to all other registration fees assessed pursuant to this chapter on each hybrid vehicle registered.
- (3) All fees provided for in this section shall be deposited to the highway distribution account as established in section 40-701, Idaho Code, and shall be apportioned as provided for in that section.
- (4) For purposes of this chapter, "electric vehicle" means a vehicle powered only by a form of electricity and "hybrid vehicle" means a motor vehicle with a hybrid propulsion system that operates on both an alternative fuel, including electricity, and traditional fuel.
- SECTION 4. That Section 63-2402, Idaho Code, be, and the same is hereby amended to read as follows:
- 63-2402. IMPOSITION OF TAX UPON MOTOR FUEL. (1) A tax is hereby imposed upon the distributor who receives motor fuel in this state. The legal incidence of the tax imposed under this section is borne by the distributor. The tax becomes due and payable upon receipt of the motor fuel in this state by the distributor unless such tax liability has previously accrued to another distributor pursuant to this section. The tax shall be imposed without regard to whether use is on a governmental basis or otherwise, unless exempted by this chapter.
- (2) The tax imposed in this section shall be at the rate of $\frac{\text{twenty-five}}{\text{thirty-two}}$ cents ($\frac{25}{32}$ ¢) per gallon of motor fuel received. This tax shall be subject to the exemptions, deductions and refunds set forth in this chapter.
- (3) Nothing in this chapter shall prohibit the distributor who is liable for payment of the tax imposed under subsection (1) of this section from including as part of the selling price an amount equal to such tax on motor fuels sold or delivered by such distributor; provided however, that nothing in this chapter shall be deemed to impose tax liability on any person to whom such fuel is sold or delivered except as provided in subsection (6) of this section.
- (4) Any person coming into this state in a motor vehicle may transport in the manufacturer's original tank of that vehicle, for his own use only,

not more than thirty (30) gallons of motor fuel for the purpose of operating that motor vehicle, without complying with the provisions of this chapter.

(5) The tax imposed in this section does not apply to:

- (a) Special fuels that have been dyed at a refinery or terminal under the provisions of 26 U.S.C. section 4082 and regulations adopted thereunder, or under the clean air act and regulations adopted thereunder except as provided in section 63-2425, Idaho Code; or
- (b) Special fuel dispensed into a motor vehicle which uses gaseous special fuels and which displays a valid gaseous special fuels permit under section 63-2424, Idaho Code; or
- (c) Special fuels that are gaseous special fuels, as defined in section 63-2401, Idaho Code, except that part thereof that is delivered into the fuel supply tank or tanks of a motor vehicle; or
- (d) Aircraft engine fuel subject to tax under section 63-2408, Idaho Code.
- (6) Should the distributor of first receipt be exempt from imposition of the tax as a matter of federal law, by virtue of its status as a federally-recognized federally recognized Indian tribe or member of such tribe, such distributor shall not bear the tax's legal incidence and must pass the tax through as part of the selling price of the fuel. Such distributor shall retain the administrative obligation to remit the tax, and such obligation shall accrue upon receipt in accordance with subsection (1) of this section. Should a retailer otherwise subject to the tax be exempt from imposition of the tax as a matter of federal law, by virtue of its status as a federally-recognized federally recognized Indian tribe or member of such tribe, the retailer shall not bear the tax's legal incidence and must pass the tax through as part of the selling price of the fuel to the consumer, unless such consumer is exempt from imposition of the tax as a matter of federal law, by virtue of its status as a federally-recognized federally recognized Indian tribe or membership in such tribe, and the retailer shall be entitled to claim a credit against taxes otherwise due and owing under this chapter or a tax refund, together with interest, attributable to the fuel purchased by such consumer.

SECTION 5. That Section 63-2412, Idaho Code, be, and the same is hereby amended to read as follows:

- 63-2412. DISTRIBUTION OF TAX REVENUES FROM TAX ON GASOLINE AND AIRCRAFT ENGINE FUEL. (1) The revenues received from the taxes imposed by sections 63-2402 and 63-2421, Idaho Code, upon the receipt or use of gasoline, and any penalties, interest, or deficiency additions, shall be distributed periodically as follows:
 - (a) An amount of money equal to the actual cost of collecting, administering and enforcing the gasoline tax requirements by the commission, as determined by it shall be retained by the commission. The amount retained by the commission shall not exceed the amount authorized to be expended by appropriation by the legislature. Any unencumbered balance in excess of the actual cost of collecting, administering and enforcing the gasoline tax requirements by the commission at the end of each fiscal year shall be distributed as listed in paragraph (f) of this subsection.

- (b) An amount of money shall be distributed to the state refund account sufficient to pay current refund claims. All refunds authorized by the commission to be paid shall be paid from the state refund account and those moneys are hereby continuously appropriated for that purpose.
- (c) As soon as possible after the beginning of each fiscal year, the sum of two hundred fifty thousand dollars (\$250,000) shall be distributed to the railroad grade crossing protection account in the dedicated fund, to pay the amounts from the account pursuant to the provisions of section 62-304C, Idaho Code.
- (d) As soon as possible after the beginning of each fiscal year, the sum of one hundred thousand dollars (\$100,000) shall be distributed to the local bridge inspection account in the dedicated fund, to pay the amounts from the account pursuant to the provisions of section 40-703, Idaho Code.
- (e) An amount of money equal to seven percent (7%) shall be distributed to the state highway account established in section 40-702, Idaho Code.
- (f) From the balance remaining with the commission after distributing the amounts in paragraphs (a) through (e) of subsection (1) of this section:
 - 1. One and twenty-eight hundredths percent (1.28%) shall be distributed as follows: sixty-six percent (66%) of the one and twenty-eight hundredths percent (1.28%) shall be distributed to the waterways improvement account, as created in chapter 15, title 57, Idaho Code. Up to twenty percent (20%) of the moneys distributed to the waterways improvement account under the provisions of this paragraph may be used by the department of parks and recreation to defray administrative costs. Any moneys unused at the end of the fiscal year by the department of parks and recreation shall be returned to the state treasurer for deposit in the waterways improvement account. Thirty-three percent (33%) of the one and twenty-eight hundredths percent (1.28%) shall be distributed into the park and recreation capital improvement account as created in section 57-1801, Idaho Code. One percent (1%) of the one and twenty-eight hundredths percent (1.28%) shall be distributed to the search and rescue fund created in section 67-2913, Idaho Code;
 - 2. One and twenty-eight hundredths percent (1.28%) shall be distributed as follows: sixty-six percent (66%) of the one and twenty-eight hundredths percent (1.28%) shall be distributed to the off-road motor vehicle account, as created in section 57-1901, Idaho Code. Up to twenty percent (20%) of the moneys distributed to the off-road motor vehicle account by this subparagraph may be used by the department of parks and recreation to defray administrative costs. Any moneys unused at the end of the fiscal year by the department of parks and recreation shall be returned to the state treasurer for deposit in the off-road motor vehicle account. Thirty-three percent (33%) of the one and twenty-eight hundredths percent (1.28%) shall be distributed into the park and recreation capital improvement account as created in section 57-1801, Idaho Code. One percent (1%) of the one and twenty-eight hundredths

percent (1.28%) shall be distributed to the search and rescue fund created in section 67-2913, Idaho Code; and

- 3. Forty-four hundredths percent (.44%) shall be distributed to the park and recreation capital improvement account as created in section 57-1801, Idaho Code, to be used solely to develop, construct, maintain and repair roads, bridges and parking areas within and leading to parks and recreation areas of the state.
- 4. The balance remaining shall be distributed to the highway distribution account created in section 40-701, Idaho Code.
- (2) Provided however, the distribution pursuant to subsection (1) of this section of revenues received from the taxes imposed pursuant to section 63-2402(2), Idaho Code, shall apply only to twenty-five cents (25¢) of every thirty-two cents (32¢) received. The remaining seven cents (7¢) of every thirty-two cents (32¢) received pursuant to the provisions of section 63-2402(2), Idaho Code, shall be distributed as follows:
 - (a) Sixty percent (60%) to the state highway account; and

- (b) Forty percent (40%) to be distributed pursuant to the provisions of section 40-709, Idaho Code.
- (3) The revenues received from the taxes imposed by section 63-2408, Idaho Code, and any penalties, interest, and deficiency amounts, shall be distributed as follows:
 - (a) An amount of money shall be distributed to the state refund account sufficient to pay current refund claims. All refunds authorized by the commission to be paid shall be paid from the state refund account, and those moneys are hereby continuously appropriated.
 - (b) The balance remaining of all the taxes collected shall be distributed to the state aeronautics account, as provided in section 21-211, Idaho Code.
- SECTION 6. That Chapter 7, Title 40, Idaho Code, be, and the same is hereby amended by the addition thereto of a $\underline{\text{NEW SECTION}}$, to be known and designated as Section 40-719, Idaho Code, and to read as follows:
- 40-719. STRATEGIC INITIATIVES PROGRAM. (1) The Idaho transportation department shall establish and maintain a strategic initiatives program. The purpose of the program is to fund transportation projects that are proposed by the department's six (6) districts. Proposed projects shall compete for strategic initiative program selection and funding on a statewide basis based on an analysis of their return on investment in the following categories:
 - (a) Safety, including the projected reduction of crashes, injuries and fatalities;
 - (b) Mobility, including projected traffic-flow improvements for freight and passenger cars;
 - (c) Economic opportunity, including the projected cost-benefit ratio for users and businesses;
 - (d) The repair and maintenance of bridges; and
 - (e) The purchase of public rights-of-way.
- (2) There is hereby established in the state treasury the strategic initiatives program fund to which shall be deposited:

- (a) Notwithstanding the provisions of section 57-814, Idaho Code, the provisions of this paragraph shall only be in effect from the effective date of this act through May 31, 2017. The state controller shall transfer fifty percent (50%) of any excess cash balance from the general fund to the strategic initiatives program fund upon the financial close of the current fiscal year subject to the following criteria: When calculating any excess cash balance the state controller shall first provide for the ending balance as determined by the legislative record to be carried over into the next fiscal year, plus an amount sufficient to cover encumbrances as approved by the division of financial management, and an amount sufficient to cover any reappropriation as authorized by the legislature.
- (b) Any other appropriated moneys for funding of the strategic initiatives program.

Interest earned on the investment of idle moneys in the fund shall be paid to the fund. All moneys in the fund shall be used for funding the strategic initiatives program.

SECTION 7. That Section 57-814, Idaho Code, be, and the same is hereby amended to read as follows:

- 57-814. BUDGET STABILIZATION FUND. (1) There is hereby created in the state treasury the budget stabilization fund for the purpose of meeting general fund revenue shortfalls and to meet expenses incurred as the result of a major disaster declared by the governor. All moneys in the budget reserve account at the date of approval of this act shall be transferred to the budget stabilization fund. Interest earnings from the investment of moneys in this fund by the state treasurer shall be credited to the permanent building account subject to the provisions of section 67-1210, Idaho Code.
- (2) Subject to the requirements of section 63-3203, Idaho Code, the state controller shall annually transfer moneys from the general fund to the budget stabilization fund subject to the following criteria: if the state controller certifies that the receipts to the general fund for the fiscal year just ending have exceeded the receipts of the previous fiscal year by more than four percent (4%), then the state controller shall transfer all general fund collections in excess of said four percent (4%) to the budget stabilization fund, up to a maximum of one percent (1%) of the actual general fund collections of the prior fiscal year. The state controller shall make the transfer upon the financial close of the current fiscal year.
 - (a) If the state controller certifies that the receipts to the general fund for the fiscal year just ending have exceeded the receipts of the previous fiscal year by more than four percent (4%), then the state controller shall transfer all general fund collections in excess of said four percent (4%) increase to the budget stabilization fund, up to a maximum of one percent (1%) of the actual general fund collections of the fiscal year just ending. The state controller shall make the transfers in four (4) equal amounts during September, December, March and June of the next fiscal year.
 - (b) The amount of moneys in the budget stabilization fund shall not exceed ten percent (10%) of the total general fund receipts for the fiscal year just ending.

- (c) The state controller shall transfer moneys in the budget stabilization fund in excess of the limit imposed in subsection (2) (b) of this section to the general fund.
- cess cash balance from the general fund to the budget stabilization fund upon the financial close of the current fiscal year subject to the following criteria: When calculating any excess cash balance the state controller shall first provide for the ending balance as determined by the legislative record to be carried over into the next fiscal year, plus an amount sufficient to cover encumbrances as approved by the division of financial management, and an amount sufficient to cover any reappropriation as authorized by the legislature.
- $\underline{(4)}$ If a majority of the membership of each house of the legislature adopt a concurrent resolution requesting the amount of the transfer specified in subsection (2) of this section be reduced, the state controller shall reduce the amount of the transfer.
- (45) Appropriations of moneys from the budget stabilization fund in any year shall be limited to fifty percent (50%) after the fund balance has reached ten percent (10%).
- SECTION 8. That Section 57-814, Idaho Code, be, and the same is hereby repealed.
- SECTION 9. That Chapter 8, Title 57, Idaho Code, be, and the same is hereby amended by the addition thereto of a $\underline{\text{NEW SECTION}}$, to be known and designated as Section 57-814, Idaho Code, and to read as follows:
- 57-814. BUDGET STABILIZATION FUND. (1) There is hereby created in the state treasury the budget stabilization fund for the purpose of meeting general fund revenue shortfalls and to meet expenses incurred as the result of a major disaster declared by the governor. All moneys in the budget reserve account at the date of approval of this act shall be transferred to the budget stabilization fund. Interest earnings from the investment of moneys in this fund by the state treasurer shall be credited to the permanent building account subject to the provisions of section 67-1210, Idaho Code.
- (2) Subject to the requirements of section 63-3203, Idaho Code, the state controller shall annually transfer moneys from the general fund to the budget stabilization fund subject to the following criteria:
 - (a) If the state controller certifies that the receipts to the general fund for the fiscal year just ending have exceeded the receipts of the previous fiscal year by more than four percent (4%), then the state controller shall transfer all general fund collections in excess of said four percent (4%) increase to the budget stabilization fund, up to a maximum of one percent (1%) of the actual general fund collections of the fiscal year just ending. The state controller shall make the transfers in four (4) equal amounts during September, December, March and June of the next fiscal year.
 - (b) The amount of moneys in the budget stabilization fund shall not exceed ten percent (10%) of the total general fund receipts for the fiscal year just ending.

- (c) The state controller shall transfer moneys in the budget stabilization fund in excess of the limit imposed in subsection (2) (b) of this section to the general fund.
- (3) If a majority of the membership of each house of the legislature adopt a concurrent resolution requesting the amount of the transfer specified in subsection (2) of this section be reduced, the state controller shall reduce the amount of the transfer.

(4) Appropriations of moneys from the budget stabilization fund in any year shall be limited to fifty percent (50%) after the fund balance has reached ten percent (10%).

SECTION 10. LEGISLATIVE INTENT. It is the intent of the Legislature that on or before January 1, 2019, there shall be imposed on all commercial vehicles, irrespective of body type, and on all farm vehicles having a maximum gross weight in excess of sixty thousand (60,000) pounds, an annual registration fee and in addition thereto, an operating fee by weight class based on the total miles the owner operated such vehicle on roads and highways in the state, county, city and highway district systems in Idaho during each quarter of the calendar year.

SECTION 11. LEGISLATIVE INTENT. It is the intent of the Legislature that all additional funds collected under the provisions of this act, remitted to the Idaho Transportation Department or entities subject to the distribution provisions of Section 40-709, Idaho Code, shall be used exclusively for road and bridge maintenance and replacement projects both at the state and local level.

SECTION 12. LEGISLATIVE INTENT. It is the intent of the Legislature that the Idaho Transportation Department, and all local units of government receiving funds collected under the provisions of this act, shall prepare an annual report and deliver the same to the Senate Transportation Committee and the House Transportation and Defense Committee on or before the first day of each legislative session. Local units of government shall submit report information to the Local Highway Technical Assistance Council, which shall compile the reporting information into one report for submission. The reports shall include a full accounting of the additional funds collected under the provisions of this act and how such funds were expended. Such report shall also include an updated assessment of the ongoing maintenance funding needs.

SECTION 13. LEGISLATIVE INTENT. It is the intent of the Legislature that the Idaho State Police and the State Tax Commission shall, no later than the first day of the 2016 legislative session, provide recommendations to the Senate Transportation Committee and the House Transportation and Defense Committee on greater enforcement of the prohibition of dyed fuel and other untaxed fuel use on Idaho roads and highways.

SECTION 14. LEGISLATIVE INTENT. This legislation is intended to be an interconnected solution to raise revenue for Idaho's transportation infrastructure and maintenance.

SECTION 15. That Section 40-701, Idaho Code, be, and the same is hereby amended to read as follows:

- 40-701. HIGHWAY DISTRIBUTION ACCOUNT -- APPORTIONMENT. (1) There is established in the state treasury an account known as the "Highway Distribution Account," to which shall be credited:
 - (a) Moneys as provided by sections 63-2412(1)(f)4. and 63-2418(4), Idaho Code;
 - (b) All moneys collected by the department, their agents and vendors, and county assessors and sheriffs, under the provisions of title 49, Idaho Code, except as otherwise specifically provided for; and
 - (c) All other moneys as may be provided by law.

- (2) The highway distribution account shall be apportioned as follows:
- (a) Thirty-eight percent (38%) to local units of government as provided in section 40-709, Idaho Code;
- (b) Fifty-seven percent (57%) to the state highway account established in section 40-702, Idaho Code; and
- (c) Five percent (5%) to the law enforcement account, established in section 67-2914, Idaho Code. The state controller shall cause the remittance of the moneys apportioned to local units of government not later than January 25, April 25, July 25 and October 25 of each year, and to the state highway account and the law enforcement account as the moneys become available to the highway distribution account.
- (3) All new revenues generated by increases in registration fees and fees on electric and hybrid vehicles pursuant to the provisions of House Bill No. 312, as amended in the Senate, as amended in the Senate, during the first regular session of the sixty-third Idaho legislature, shall be apportioned as follows:
 - (a) Forty percent (40%) to local units of government as provided in section 40-709, Idaho Code; and
 - $\underline{\text{(b)}}$ Sixty percent (60%) to the state highway account established in section 40-702, Idaho Code.
- (4) Interest earned on the investment of idle moneys in the highway distribution account shall be paid to the highway distribution account.
- (45) All idle moneys in the dedicated highway trust or asset accounts or subaccounts established from highway user revenues, reimbursements, fees or permits shall be invested by the state treasurer in the same manner as provided under section 67-1210, Idaho Code, with respect to other surplus or idle moneys in the state treasury. Interest earned on the investments shall be returned to the various highway trust or asset accounts and subaccounts.
- SECTION 16. SEVERABILITY. The provisions of this act are hereby declared to be severable and if any provision of this act or the application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of the remaining portions of this act.
- SECTION 17. An emergency existing therefor, which emergency is hereby declared to exist, Sections 6 and 7 of this act shall be in full force and effect on and after passage and approval. Sections 1, 2, 3, 4, 5, 10, 11, 12, 13, 14, 15 and 16 of this act shall be in full force and effect on and after

- July 1, 2015. Section 7 of this act shall be null, void and of no force and effect on and after May 31, 2017. Sections 8 and 9 of this act shall be in full force and effect on and after May 31, 2017.